



MINISTRY OF LABOUR

**WAGES COUNCILS ACT, 1959**

**Report of a Commission of  
Inquiry on the Licensed Residential  
Establishment and Licensed Restaurant  
Wages Council**



*LONDON*

**HER MAJESTY'S STATIONERY OFFICE**

**1964**

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# WAGES COUNCILS ACT, 1959

## Appointment of a Commission of Inquiry

WHEREAS the Minister of Labour is considering whether he should exercise his powers under Section 4 of the Wages Councils Act, 1959, to make an Order varying the field of operation of the Licensed Residential Establishment and Licensed Restaurant Wages Council by the exclusion from the field of operation of that Council of workers employed in the hotel and catering services of the nationalised railways.

NOW THEREFORE the Minister in pursuance of the powers conferred on him by Sections 6 and 9 of, and the Fourth Schedule to, the said Act and after consultation with organisations representing employers and workers respectively in accordance with paragraph 3 of the said Fourth Schedule, hereby appoints the following persons to be members of a commission of inquiry:—

(a) Persons chosen as being independent persons:—

Mr. Jacob Glyndwr Picton, M.Com.

Mr. Arthur Llewellyn Armitage, M.A., LL.B., J.P.

Mrs. Christian Johnston Tudhope, M.A., LL.B.

(b) Persons chosen to represent employers:—

Mr. Edgar Montague Amphlett, C.B.E., M.C.

Mr. Selkirk Chapman, C.B.E.

(c) Persons chosen to represent employed persons:—

Mr. Claude Bartlett, C.B.E.

Mr. Joseph O'Hagan, O.B.E.

AND the Minister further appoints Mr. J. G. Picton to be chairman of the said commission and Mr. A. Ll. Armitage to act as deputy chairman in the absence of the chairman;

AND the Minister in pursuance of the provisions of the said Section 6 hereby refers to the said commission the question whether the field of operation of the said Wages Council should be varied.

Dated this 25th day of March, 1963.

L. J. DUNNETT,

*Secretary,*

*Ministry of Labour.*

SIR,

On 25th March, 1963, we were appointed under the Wages Councils Act, 1959, to be members of a Commission of Inquiry to report on the question whether the field of operation of the Licensed Residential Establishment and Licensed Restaurant Wages Council should be varied.

We now have the honour to submit to you the following report.

#### INTRODUCTORY

1. Notice of our intention to make this Inquiry was published in the London and Edinburgh Gazettes on 3rd May, 1963, and a copy of that Notice was sent to organisations likely to be interested in the Inquiry. We met in London on seven occasions and heard oral evidence on two days. A list of organisations and persons who have given oral or written evidence in the course of our inquiry is given in Appendix I to the Report.

#### HISTORICAL

##### **Establishment of the Licensed Residential Establishment and Licensed Restaurant Wages Board (now Council)**

2. The Licensed Residential Establishment and Licensed Restaurant Wages Board was established on 24th February, 1945, following a recommendation from the Catering Wages Commission.

3. The Catering Wages Commission had itself been set up under the Catering Wages Act, 1943, with power to make enquiries into matters affecting the remuneration, the conditions of employment, health or welfare of workers covered by the Act and into means for meeting the requirements of the public and for developing the tourist traffic. The Commission could also make recommendations on the foregoing matters to any government department and reported annually to the Minister of Labour. It was further empowered to recommend the establishment of a wages board in respect of workers to whom the Act applied and their employers where it was of opinion that machinery for regulating those workers' remuneration and conditions of employment either did not exist or was not, and could not by any improvement which it was practicable to secure, be made, adequate. Before making such a recommendation, the Commission had to make all necessary investigations and to consider representations made to it.

4. The Wages Board, in common with the other wages boards in the catering industry, became a Wages Council under the Terms and Conditions of Employment Act, 1959; it covered the same field as before. The provisions of the Terms and Conditions of Employment Act, 1959, which related to Wages Councils were consolidated with the Wages Councils Acts, 1945 and 1948, in the current Wages Councils Act, 1959.

##### **The Recommendation submitted by the Catering Wages Commission**

5. After considering evidence on the methods of regulating the remuneration and conditions of employment in the catering industry and the question of how its various branches might best be grouped for Wages Board purposes, the Commission stated in a Report dated 9th November, 1944, their conclusion that five Wages Boards were necessary of which one should deal with licensed hotels and licensed restaurants. In their report dated 19th

January, 1945, the Catering Wages Commission, referring to their recommendation for the establishment of that Wages Board stated that it had been ascertained that with one exception, there existed no joint voluntary negotiating machinery for regulating wages and conditions of employment in those establishments within the scope of the proposal. The exception related to the Railway Companies. There the Commission found a limited form of joint voluntary machinery operating in respect of certain catering workers but they were unable to regard the machinery as adequate for the purposes of the Catering Wages Act.

6. The Commission noted particularly the representation by the Railway Companies that as *hotel* proprietors they were in competition with the rest of the industry and therefore should not be excluded from the statutory machinery governing the catering industry as a whole. When considering *refreshment and dining rooms* at railway stations, the Commission decided that such places were in a distinct class of their own; however, they seemed to have more in common with licensed restaurants than with any other class of catering establishment. The Commission found that no useful purpose would be served by separating the small number of unlicensed refreshment rooms from the rest, since they were clearly an essential part of the railway catering services and had much in common with licensed railway refreshment rooms. They therefore recommended that all refreshment rooms should be within the scope of the proposed Board.

7. The Commission found that workers employed by railway companies on railway trains were in a special position and were covered by joint voluntary machinery already in existence which was adequate for regulating the wages and conditions of employment of those workers. In a subsequent report, dated 22nd February, 1945, they gave particulars of this machinery.

8. The Commission also referred to evidence given by the National Union of Railwaymen and to the Union's wish to preserve the negotiating machinery already in existence for workers in railway-owned hotels and refreshment rooms. The Commission did not think that the setting up of a Wages Board need interfere with the existing joint voluntary machinery and added they were influenced in their decision to include all railway undertakings within the scope of the Board by their desire to facilitate the continuance of the voluntary machinery. They were convinced that such machinery could be "a very useful complement to the statutory machinery".

#### **Scope of the Licensed Residential Establishment and Licensed Restaurant Wages Council**

9. The scope of the Wages Council is as set out in Appendix II to this Report. There were two minor variations of the scope of the Board following on recommendations of the Catering Wages Commission made in 1946 and 1947. The first removed the exclusion from the scope of the Wages Board of workers employed by a local authority and amended the exclusion relating to workers employed in an industrial or staff canteen undertaking. The second amendment also related to workers employed in an industrial or staff canteen undertaking.

#### **Constitution of the Wages Council**

10. The Council consists of three Independent Members, 24 employers' representatives and 24 workers' representatives.

11. Nominations to the employers' side are obtained from the British Hotels and Restaurants Association (12), the Caterers' Association of Great

Britain (6 including one nomination made in consultation with the Retail Distributors Association Incorporated), the Brewers' Society (2), the National Federation of Permanent Holiday Camps Ltd., (2), the National Consultative Council of the Retail Liquor Trade (1) and the Association of London Clubs (1).

12. Nominations to the workers' side are from the Union of Shop, Distributive and Allied Workers (7), the National Union of General and Municipal Workers (8), the National Union of Railwaymen (5), the Transport Salaried Staffs' Association of Great Britain and Ireland (3) and the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers of Great Britain and Ireland (1). These nominations are obtained by the National Joint Trade Union Committee for the Catering Industry.

#### **Structure of the Catering Industry covered by the Wages Council**

13. The total number of establishments covered by the Wages Council was 12,886 at 1st October, 1962. The average number of workers per establishment, as shown by inspections in the five years up to and including 1962 was estimated to be 18.5, giving an average total of 206,500 workers covered by the Wages Council in this section of the catering industry.

14. The staff of British Transport Hotels Limited, who are within the field of operation of the Wages Council are employed at 35 hotels, in 478 refreshment rooms (at 245 railway stations) and 5 ancillary establishments (cellars and stores). 6,394 are employed in hotels, 4,438 in refreshment rooms and 93 in ancillary establishments; a total of 10,925 workers.

15. The main employers' and workers' organisations in this section of the catering industry are those named in paragraphs 11 and 12.

#### **Voluntary negotiating machinery**

16. Workers in railway hotels and refreshment rooms are still the only group covered by the Wages Council who are known to be covered also by voluntary negotiating arrangements. These arrangements have been revised since the Report of the Catering Wages Commission. A new agreement covering remuneration and holidays came into operation on 1st August, 1958. The parties to it are British Transport Hotels and Catering Services, the National Union of Railwaymen and the Transport Salaried Staffs' Association. Consideration is given to this agreement later in our report.

17. In August, 1960, the National Union of Railwaymen suggested to the Minister of Labour that there was no longer any need for the Licensed Residential Establishment and Licensed Restaurant Wages Council to include workers engaged in the hotel and catering services of the British Transport Commission. Officials of the Ministry discussed this in November, 1960, with representatives of the National Union of Railwaymen and in February, 1961, with representatives of the British Transport Commission. The Union referred to an attempt which had been made in 1954 by the Workers' Side of the Wages Council to persuade the Council to exclude the workers in this section of the industry. The attempt had failed and the Union felt that there was little prospect of progress along that line in the absence of support from the British Transport Commission.

18. In March, 1961, the Ministry informed both parties that in view of the Government's proposals for the reorganisation of the nationalised transport undertakings, it was not thought appropriate to come to any final decision at that time on the suggestion for a change in the field of operation of the Wages Council. In April, 1961, the Union raised the matter again and sought a meeting with the Ministry, which was held in July. As a

result of this meeting, the Ministry asked for the views of the British Transport Commission and the organisations represented on the Wages Council. In February, 1962, the Ministry informed the National Union of Railwaymen that some of the organisations were opposed to the exclusion of workers in railway catering establishments and the next step was for the Minister to consider whether to appoint a Commission of Inquiry. However, because the Transport Bill was then before Parliament and was expected, if it became law, to affect the catering services, the Minister did not consider it appropriate to set up a Commission of Inquiry until the nature of the future organisation of the railway industry was known.

19. Following the Transport Act, 1962, the Hotels and Catering Services of the British Transport Commission came under the management of British Transport Hotels Limited, a wholly-owned subsidiary of the British Railways Board. The Parliamentary Secretary to the Ministry of Transport had explained during debate in Parliament on the passage of the Bill the arrangements for the hotel company to take over staff from the Commission and that there was nothing in the Bill which cut across existing arrangements for negotiations and conditions of employment as they had been worked out under the British Transport Commission. The Wages Council was in existence during the development of those arrangements.

20. The decision to appoint this Commission of Inquiry was announced to the parties in January, 1963.

### PRINCIPAL SUBMISSIONS

21. The evidence submitted to us by all parties was presented with great skill, understanding and fairness. The oral evidence, in particular, engaged our deep interest, and we are very grateful for the help which was given to us.

#### The Unions

22. The National Union of Railwaymen traced the history of the joint voluntary negotiating machinery established with the railways hotel and catering services since 1938. Whilst they had been willing to associate themselves with other Trade Unions in establishing standards of pay and conditions of service for catering workers, they were at pains always to stress the importance of their own machinery of negotiation with the railways. They believed that this provided sufficient reason for the exclusion of the hotels and refreshment room staff from the scope of the original Wages Board, but, in the event, the Catering Wages Commission was unable to regard this machinery as adequate. The National Union of Railwaymen submitted however that the Commission excluded from the Wages Board, catering workers employed on railway trains, because there existed adequate joint voluntary machinery. The National Union of Railwaymen drew the conclusion that the hotels and refreshment rooms staff would also have been excluded if the Commission had been satisfied with the adequacy of their negotiating machinery.

23. The National Union of Railwaymen then proceeded to describe the improvements subsequently made in the voluntary machinery. These culminated in the present machinery operating since 1st August, 1958; full details were submitted and a summary is included in Appendix III. This machinery is in accordance with Section 72 of the Transport Act, 1962, which provides that "except as far as they are satisfied that adequate machinery exists", the railways shall establish and maintain an adequate machinery of negotiation and consultation for its employees.

24. The National Union of Railwaymen now concludes that this machinery is adequate to deal with rates of pay, conditions of service, and all other

matters affecting the two sides of the railway catering industry, and there is no need for association with the Wages Council. They have succeeded in negotiating rates of pay above the minimum laid down by the Wages Council but they believe their attempts at improving conditions of service are impeded by the railway management's insistence upon observing the conditions of the Wages Council. They do not believe it proper that a group of hotels representing the highest standards should be required to conform to regulations designed to deal with smaller hotels operated by individuals or small organisations. They submit that a body set up for the protection of workers is now being used by the employers as a means of preventing the staff from enjoying better conditions of service which could be negotiated through voluntary machinery.

25. The Transport Salaried Staffs' Association supported the application made by the National Union of Railwaymen. They also are parties to the agreement with British Transport Hotel and Catering Services setting up negotiating machinery, and details were submitted of the separate machinery applicable to salaried staff employed at Headquarters, Area, Regional and District Offices. The Transport Salaried Staffs' Association were particularly concerned at certain anomalies which arose whereby similar staff were subject to different rates of pay and conditions of service, those analogous to railway staff being substantially better than those governed by the Wages Council. They claimed that staff employed in the hotels and catering services of British Transport enjoyed more favourable rates and conditions as a result of the collective bargaining of the Transport Salaried Staffs' Association and National Union of Railwaymen; there would be even greater advantage but for the insistence of the management upon relativity with Wages Council rates and conditions. In the view of the Transport Salaried Staffs' Association, the inclusion of certain groups of staff within the scope of the Wages Council was being used as a brake on collective bargaining. Their continued inclusion would be contrary to the purpose of Wages Councils, which were established for the protection of workers in the absence of effective machinery for collective bargaining.

### **British Transport Hotels Limited**

26. British Transport Hotels Limited reminded the Commission that they had argued before the Catering Wages Commission in November, 1943, that the wages and conditions of service of staff employed in railway owned hotels and refreshment rooms, should be governed through the medium of whatever scheme of machinery might be established for the purpose of regulating the remuneration and conditions of employment of workers in corresponding branches of the hotel and catering industry. They also outlined the development of negotiating machinery since 1938 culminating in the establishment in 1958 of machinery in discharge of the statutory obligations. While it was not disputed that a comprehensive machinery of negotiation and consultation covers the staff employed in railway owned hotels and refreshment rooms, British Transport Hotels Limited drew attention to the fact that the circumstances and the nature of the business in which staff are employed in the hotels and refreshment rooms are radically different from those pertaining to railways. They went on to point out that it cannot be too strongly emphasised that hotel keeping is a domestic business and, on a more limited scale, so is catering. The voluntary machinery functioned side by side with the Wages Council.

27. In the course of negotiations, settlement of claims involving administrative staff in headquarters, regional and district offices, restaurant car travelling and depot wages staff generally followed the pattern of settlement

involving railway staff. In the case, however, of staff in hotels and refreshment rooms it has been the practice not to settle claims by the Unions for adjustments in minimum rates of pay unless an Order by the Wages Board/Council has been made.

28. British Transport Hotels Limited considered that the only relationship between their hotels and refreshment rooms staff and railway staff was common ownership of the respective undertakings. The interests and inclinations of the hotels and refreshment rooms staff lay in every respect with the catering industry generally; there was a virtual absence of movement of staff between the Company's hotels and refreshment rooms and the railway service. The machinery functioned, therefore, so as to provide a proper and necessary relativity with similar workers in the licensed hotel and restaurant trades generally. Although, in practice, little use was made of the machinery at its lowest levels, so far as it related to hotels and refreshment rooms staff, it formed a useful complement at national level to the statutory orders of the Wages Council. This they regarded as being entirely appropriate and serving the best interests of all concerned.

29. British Transport Hotels Limited would, therefore, be seriously concerned if they, as one employer, were excluded from the Wages Council. It was of prime importance that they should know at first hand the views prevailing in the licensed hotel and catering industry in regard to rates of pay and conditions of service. This could only be done effectively by the Company being adequately represented at meetings and having a voice in the discussions of the Wages Council, which is the national and only forum for such discussions.

30. If they were excluded they would be exposed to a climate of negotiation in which the elements affecting all other staff in the same occupations would be lacking. They would be negotiating with the National Union of Railwaymen and the Transport Salaried Staffs' Association whilst the rest of the licensed hotel and restaurant trade would be negotiating with entirely different trade unions—the Union of Shop, Distributive and Allied Workers, the National Union of General and Municipal Workers and the Amalgamated Union of Operative Bakers, Confectioners and Allied Workers. The effect would be to place them in the position of having to negotiate with two bodies whose interests are inevitably centred on the railways, who must be influenced solely by their approach to railway problems, and who have no connection with the hotel and catering industry at large.

#### **British Hotels and Restaurants Association**

31. The British Hotels and Restaurants Association submitted that British Transport Hotels Limited are not only the largest employers within the scope of the Wages Council but the best example in the industry of an organisation with establishments well distributed throughout the country and which come within all the four main categories of establishment recognised by the Wages Council, namely, International Hotels, Seasonal Hotels, Restaurants and Other Hotels. They have unique experience in all aspects of the employment of staff as they employ all the categories listed in the Wages Regulation Order, including apprentices, and must have regard to widely varying demands on their services by the public.

32. With the possible exception of refreshment rooms on railway stations, which are mainly used by railway passengers, the establishments of British Transport Hotels Limited are regarded by the Association as an integral part of the hotel and catering industry and their hotels are on precisely

the same footing as any other hotel in competing for business. The Association did not consider that there were any special reasons why the conditions of employment in railway hotels need differ in any way from those of similar establishments.

33. The Association considered that exclusion from the scope of the Wages Council of the employees of British Transport Hotels Limited would result in a serious loss to the Employers' Side of the Council, depriving them of much assistance and advice which was not otherwise readily available. The Association also feared that such a precedent, if followed by other large employers, could lead to a Wages Council functioning in relation to only a portion of an industry.

34. The Association had no objection to the British Transport Hotels negotiating machinery continuing to settle rates of pay for its own staff after taking into account the rates fixed by the Wages Council, but there were many other matters covered by the present Wages Order which could not be altered without having some consequences for the rest of the industry; provisions on overtime, spread-over, customary holidays and holiday pay were examples. If such conditions which had operated satisfactorily for many years were to be subject to alteration in their application to this substantial section of the industry, the Association would be most concerned at the possible repercussions on its other members.

#### **Caterers' Association of Great Britain**

35. The Caterers' Association in their written evidence also stressed that British Transport Hotels Limited had always been regarded as a part of the hotel and catering trade by the trade itself and that this is a wholly natural position. British Transport hotels and refreshment rooms catered for the travelling public to an equal extent with, and had much in common with, other hotels and ordinary catering establishments.

36. The Association believed that the present Wages Order represented a conscientious attempt by both sides over many years to evolve a wages structure both fair to the worker and economically practicable for the employer. Progress in the past and hope for the future were associated with the Wages Council machinery. Employers in the hotel and catering trade have confidence in the Wages Council machinery and the pattern of wage regulation so far developed is accepted as a reasonable basis on which individual employers can work.

37. If British Transport Hotels Limited, the largest single employer in the trade, were removed from the scope of the Wages Council, the machinery which would settle its wages and conditions would inevitably move along different lines from those of the Wages Council and would hardly be likely to accept, or continue to accept, the national pattern but would seek to originate a wages structure of its own. Decisions reached by the separate machinery of a large and diverse part of the hotel and catering trade could not fail to have a substantial influence on the trade's national negotiations in the Wages Council. Such decisions, if made by machinery which was out of touch with, and had different basic concepts from the rest of the trade, could have an effect which would be to the serious disadvantage of the trade and those employed in it. The solution of outstanding problems in the trade (such as those of tipping and of selective wage regulation for different types of establishment) required a broadly unified policy among employers in the trade and the achievement of such a policy would be retarded by the suggested separation of British Transport Hotels Limited.

### **The Leader of the Workers' Side of the Wages Council**

38. The leader of the Workers' Side of the Wages Council, who is also Chairman of the National Joint Trade Union Committee for the Catering Industry, gave oral evidence in support of written evidence submitted by the Union of Shop, Distributive and Allied workers, for whose catering membership he is the responsible National Officer. He referred to the obligation imposed under the Transport Act, 1947, on the British Transport Commission to establish appropriate machinery for the purposes of consultation with the Unions and of regulating the terms and conditions of their employees. Such machinery had been established so far as hotels and refreshment rooms staffs were concerned and, if properly used by both sides, should offer a medium for providing substantially favourable terms and conditions. Statutory rates should not be used as a substitute for a voluntary collective rate.

39. With such a limited degree of collective regulation within the industry, anything must be a contribution towards the placing of the industry on a sounder footing so far as collective regulations were concerned. In his view, if the railway Unions were to be excluded from the Wages Council, the effectiveness of the remainder of his side on the Wages Council would not be impaired; all the unions joined in the application of the National Union of Railwaymen and the Transport Salaried Staffs' Association for exclusion from the Council.

### **The Leader of the Employers' Side of the Wages Council**

40. The leader of the Employers' Side of the Wages Council gave oral evidence supporting the written submission of his organisation, the Caterers' Association of Great Britain. He acknowledged very warmly the assistance given by British Transport Hotels Limited in the provision of comprehensive and detailed information about the operation of their hotels, a valuable contribution which other employers were not able to produce. It was doubtful if that information would continue to be forthcoming through the trade association but, in any case, it would be less effective than in its direct introduction into the Wages Council's work. British Transport Hotels Limited were regarded as making a very valuable contribution to the work of the Employers' Side, who were unanimous in hoping that they would remain with them.

### **The Chairman of the Wages Council**

41. The Chairman of the Wages Council informed us in oral evidence that he did not think that the proposed exclusion would do serious damage to the Wages Council. He would be sorry if exclusion of the workers in question were to lead to fragmentation of the Council but he was not worried about that as a possible effect. In his view, the Wages Councils legislation was inspired by the thought that statutory machinery should be there where it was necessary but that there should be a preference for voluntary machinery, provided it was adequate. If the railway machinery could be regarded as adequate, he could not object on any principle.

## **DISCUSSION**

### **Adequacy of the alternative machinery**

42. It is a clear obligation of the Commission of Inquiry under the Wages Councils Act, 1959, Section 6(4) to consider the adequacy of machinery alternative to the Wages Council. In the present case the alternative machinery exists by virtue of the Transport Acts (currently Section 72 of the Act of 1962). Details of the machinery were submitted to us (Appendix III) and it

was common ground between the principal parties that, as expressed by British Transport Hotels Limited, a comprehensive machinery of negotiation and consultation covers the staff employed in railway-owned hotels and refreshment rooms. The parties had no hesitation in affirming adequacy in terms of Section 6(4) of the Wages Councils Act, 1959, relating to the matters dealt with by the machinery, the extent to which those matters were covered by the agreements or awards arrived at and the extent to which the practice is, or is likely to be, in accordance with those agreements and awards.

43. The Wages Councils Act gives other indications of tests to be applied in assessing the adequacy of negotiating machinery. These relate in Sections 1, 2 and 3, to the effective regulation of remuneration and conditions of employment and the maintenance of a reasonable standard of remuneration. We found it necessary to examine certain arguments concerning the effectiveness of the alternative machinery in this case.

44. British Transport Hotels Limited emphasised that they were negotiating with two Unions whose interests are inevitably centred upon the railways and who must be influenced solely by their approach to railway problems. Without questioning the general competence of the Unions, British Transport Hotels Limited considered that they have no knowledge or appreciation of the peculiarities of hotels. If the hotels staff were exposed to the risk of having their interests represented by people experienced in quite different kinds of industries there would be a very strong temptation to claim conditions of work which would be quite unsuitable to the operation of hotels and, in the long run, would lead to these hotels becoming inefficient, with their chances of survival prejudiced. As to the way in which the machinery functioned, British Transport Hotels Limited considered that little use was made of it at its lower levels and that few hotel people exercised much influence in the branches of the Unions and in their counsels; at the top level of negotiations, no union representative was remotely connected with the hotel business. In similar vein, the Caterers' Association deprecated the absence at the apex of the railway machinery of the kind of first-hand experience which was available in the Wages Council.

45. The Unions, however, were satisfied with the provisions they made for ascertaining and representing the views and interests of their catering members. The National Union of Railwaymen reported 80 per cent trade union membership of the total number employed. They have branches wholly composed of catering workers, although in other cases such workers preferred being part of a branch dealing with railway operating staff. In addition, they had a national catering body, meeting annually and composed of rank and file representatives elected by the branches concerned with the organisation of catering workers. They had a national officer specialising in catering. The Transport Salaried Staffs' Association had a member of their National Executive Committee elected by the hotels membership, his sole interest at national level being concerned with that membership. In addition, they had a woman member of the Executive Committee, appointed solely to look after the interest of the women, and a national officer who was Assistant General Secretary for hotel matters.

46. Both Unions were members of the National Joint Trade Union Committee for the Catering Industry, comprising ten unions combining in assistance and advice on all matters associated with the catering industry. Their long association with this Committee which had preceded the Wages Council demonstrated their interest in catering; they would continue their membership if their workers were excluded from the Wages Council. There would be no difficulty in ensuring that their officers negotiating at national

level would be well appraised of all developments in the catering industry. This view was strongly confirmed by the Chairman of the Committee.

47. We do not believe it essential, although it may be desirable, that those responsible for ultimate negotiations either on the workers' or the employers' side should have personal experience of the industry concerned. In the present case, whilst there may be reservations about the mobilising of interest at the lower levels, we conclude that the two Unions can and do represent effectively those of their members who are engaged in catering.

48. British Transport Hotels Limited presented their considered view that the present arrangements whereby the statutory orders common to the licensed hotel and catering trades of the country are observed by the Company and supplemented by the agreements negotiated between the Company and the Unions were not only appropriate but also served the best interests of all concerned. The question arose whether the alternative machinery would be adequate if the parties were no longer members of the Wages Council.

49. British Transport Hotels Limited clearly attached great importance to their participation in the work of the Wages Council and their presence was strongly appreciated by the other employers' associations. It was submitted that the Wages Council represented the only forum where problems affecting the hotel and catering industry could be properly ventilated. Their view had been expressed to the Catering Wages Commission and in the Wages Council that, as hotel proprietors, they were in competition with the rest of the industry and should not be excluded from the statutory machinery governing the catering industry as a whole. If they were excluded, they would be exposed to negotiations in isolation from the elements affecting all other staff in the same occupations. They were concerned less about rates of pay than about conditions of service which would be wholly inappropriate for the successful operation of hotels.

50. There is no question about the community of interest between British Transport Hotels Limited and the catering industry generally, nor of the importance to them and to the other employers of their participation in the functioning of the Wages Council. It is not possible to separate this aspect of the community of interest from the assessment of the adequacy of the alternative machinery. Nevertheless, we do not believe that the exclusion of British Transport Hotels Limited from the Wages Council would destroy the effectiveness of the alternative machinery. The Company would still have contacts with the industry through membership of the British Hotels and Restaurants Association and, in some measure, these would offset the loss of participation in the deliberations of the Wages Council. In any case, we cannot believe that this loss would be of such a magnitude as to prevent British Transport Hotels Limited from discharging their responsibility under the Transport Act to provide adequate machinery.

51. We conclude therefore that the alternative machinery is adequate within the meaning of the Wages Councils Act and is likely to continue to be adequate if the workers in question are excluded from the scope of the Wages Council.

### **The effect of exclusion upon the Wages Council**

52. It was put to us very vigorously, notably by the British Hotels and Restaurants Association, that British Transport Hotels Limited are the largest employers within the scope of the Wages Council with varied categories of establishments well distributed throughout the country and unique experience in all aspects of the employment of staff. The leader of the Employers' Side on the Wages Council emphasised the importance of the part played by the

British Transport Hotels Limited in the Wages Council and questioned whether they could continue to provide information through the trade association.

53. As to the effect on the Wages Council of the exclusion of the National Union of Railwaymen and the Transport Salaried Staffs' Association, the Unions did not concede that the state of organisation of workers on the Wages Council was relevant; the Wages Council exists where there is difficulty in providing such organisation. Nevertheless, they considered that the remaining unions would provide very competent representation of the workers and would have the continued assistance of the National Joint Trade Union Committee for the Catering Industry. The leader of the Workers' Side shared this view and confirmed the support of the Workers' Side for the application of the National Union of Railwaymen and the Transport Salaried Staffs' Association for exclusion from the Council.

54. It is clear that British Transport Hotels Limited and the two railway Unions make important contributions to the Wages Council. As to British Transport Hotels Limited, although not large from the point of view of relative numbers employed (10,925 out of a total of 206,500) they obviously play a big part in the deliberations and the negotiations; nevertheless, there are some other substantial organisations whose contributions cannot be dismissed lightly. Moreover, in a Wages Council, the influence of small organisations should be encouraged. Indeed, there is much to be said for the view that the narrowing of the scope of wages councils is a desirable objective in that the fewer the numbers of workers covered by the statutory machinery the better the opportunity to concentrate on the particular parts of the industry which need attention. As far as the composition of the Wages Council is concerned, we conclude that exclusion of the workers in question would not prevent the Council from continuing to discharge its statutory functions.

55. We were invited also to consider the relationship between the Wages Council and the railway machinery. The Caterers' Association believed that if British Transport Hotels Limited were separated from the Wages Council, the machinery which would settle its wages and conditions would inevitably diverge from the national pattern and its decisions could not fail to have a substantial influence on the trade's national negotiations in the Wages Council with a possible effect which would be to the serious disadvantage of the trade and those employed in it.

56. The British Hotels and Restaurants Association had no objection to the British Transport Hotels negotiating machinery continuing to settle rates of pay for its own staff after taking into account the rates fixed by the Wages Council, but the Association would be most concerned at the possible repercussions on its other members if certain conditions of employment were altered in this substantial section of the industry.

57. We have thought it proper to exercise caution in contemplating the possible development of negotiations in the Wages Council and the railway machinery in the event of their separation. Although, in a broad sense, it may be said that adequate machinery means machinery beneficial to the entire industry, there could be a danger if we became too concerned with attempts to forecast relative bargaining strengths, the use to which the alternative machinery might be put and its possible repercussions upon the content of the negotiations in the Wages Council. The Act is concerned, not with the course of negotiations, but with the existence of adequate machinery as a means for negotiation. The presumption is that alternative machinery is desirable and as the Act provides for narrowing

the field of operation of Wages Councils, there is no inevitable objection to the co-existence of a Wages Council and separate alternative machinery in the same industry. Whilst we understand the apprehensions of the employers, we do not believe that the course of negotiations would necessarily be to the disadvantage of the industry and we do not attach sufficient weight to these apprehensions to justify the continued attachment of the workers in question to the Wages Council against their wishes and in the light of the arguments they advance for exclusion.

#### **Fragmentation of the industry's negotiating machinery**

58. A related argument concerned the possibility of increasing fragmentation in the development of negotiating machinery in the industry. In the case of an industry with a Joint Industrial Council, it would be regarded as undesirable if a number of firms withdrew to negotiate separately with Unions which were party to the Joint Industrial Council; the fundamental organisation of the industry would be broken in order to establish a small group of non-federated firms. The general point can well be made that it is desirable to develop voluntary machinery side by side with statutory machinery until it is possible to abolish a Wages Council altogether and substitute a Joint Industrial Council. As to the catering industry, the Caterers' Association, in particular, stressed the importance of the part played by the Wages Council in evolving a satisfactory wages structure. The view was expressed that if the best hotels were separated from the rest the negotiations were unlikely to be satisfactory and the general effect would be a reduction in the effectiveness of both negotiating bodies and a general break-down in the negotiating machinery.

59. The present state of negotiating machinery in the industry is such that it is unlikely that fragmentation will in practice prove a serious problem. The railways at present provide the only example of negotiating machinery which could offer grounds for exclusion from the Wages Council. Even if this were not so, it would be difficult to press the undoubted desirability of complete coverage of an industry by voluntary machinery to the point of denying the exclusion from a Wages Council of a substantial section if the voluntary machinery is adequate. Indeed, the point was put to us that, in the present case, it would be an advantage to be able to refer in the statutory machinery to wage rates negotiated voluntarily; an extension of individual agreements might improve relations and help in the ultimate development of national voluntary machinery. Wages Councils differ from Joint Industrial Councils in that they are statutory bodies functioning *faute de mieux*. The Wages Councils Act provides for narrowing fields of operation and this inevitably involves fragmentation. In our view, the possible difficulties and stresses of fragmented negotiating machinery do not out-weigh the desirability of encouraging adequate voluntary machinery for sections of an industry.

#### **The exclusion of a single employer**

60. Our attention was drawn to the fact that only one employer was concerned in this application for exclusion from the Wages Council. The point arose for discussion that, if the precedent were established, the exclusion of one employer at a time would lead to plant agreements contrary to normal negotiating procedure in this country. Voluntary collective bargaining as an alternative to statutory machinery implied not separate employers but a substantial number of employers. In this respect, it was noted that Section 8 of the Terms and Conditions of Employment Act, 1959, makes certain

provisions for claims concerning agreements involving organisations of employers as a substantial proportion of the trade. This element of plurality is an important reflection, but the section relates to claims by workers that their employers are not observing recognised terms and conditions. We doubt whether in importing it into this discussion of the operation of a Wages Council, it would counterbalance the arguments advanced for the exclusion of a substantial group of organised workers even though employed by one organisation.

61. The one employer might be placed at a competitive disadvantage. British Transport Hotels Limited, whilst not particularly concerned about the rates of wages negotiated with them, were apprehensive about the conditions of employment; if their hotels were forced into an uneven position their competitive position would be bound to suffer in the hotel world. We do not believe that the possible effect on the bargaining strength of employers or even one employer should be pressed as an argument against excluding workers from statutory machinery if they can prove the adequacy of alternative machinery.

62. It is indeed a peculiar feature of the application that only one employer is involved. The alternative machinery is specific to the railways and cannot itself be adapted or expanded into suitable machinery for the whole industry. This cannot be remedied by the Unions and we do not consider that it should impede their exclusion from the Wages Council if otherwise they have done all that can be reasonably expected of them.

## SUMMARY

63. In considering our recommendation we attach the greatest weight to the question of the adequacy of the alternative machinery. We believe that the Wages Councils Act gives clear guidance in assessing adequacy, which is envisaged in terms of the effective regulation of the remuneration and conditions of employment of workers and the maintenance of a reasonable standards of remuneration. We have examined arguments questioning adequacy from the point of view of effective representation of the workers concerned and from that of the viability of the alternative machinery apart from the Wages Council. We conclude that the machinery operated by British Transport Hotels Limited, the National Union of Railwaymen and the Transport Salaried Staffs' Association is adequate, and is likely to continue to be adequate in these respects if the workers concerned are excluded from the scope of the Wages Council.

64. The adequacy of the machinery being granted, it appears to us that a heavy onus rests on the opponents of exclusion of the workers concerned from the Wages Council. The arguments advanced have substance and we sympathise with the very proper causes for concern which have been exhibited to us. In particular, we have been impressed by the representations concerning the effect on the Wages Council and on the industry of separate negotiations in the alternative machinery. These anxieties we respect, but we have borne in mind that, in negotiations within the alternative machinery, the general state and conditions of the hotel industry will be an important factor and that the alternative machinery provides for arbitration and, in such event, any dispute may be expected to be considered in the context of the entire industry, including that within the scope of the Wages Council.

65. We have similarly been deeply interested in the discussion of the fragmentation of negotiating machinery. It may well be unfortunate that this case of exclusion relates to one employer and that the alternative machinery is in itself not capable of expansion to cover other sections of the industry.

Nevertheless, the Unions have played their part in improving the machinery which was considered inadequate by the Catering Wages Commission and which is now operating under the Transport Act. Having done so, they claim that it is an impediment to the continued development of collective bargaining that their members should continue to be within the scope of the Wages Council. To deny their application would be to insist, in spite of their functioning in adequate alternative machinery, upon their attachment to statutory machinery designed to provide enforceable minimum rates of pay for workers lacking the means for providing a reasonable standard of remuneration. We cannot conceive that this would be consistent with the historical development and underlying philosophy of wages councils.

### RECOMMENDATION

66. We recommend that the field of operation of the Licensed Residential Establishment and Licensed Restaurant Wages Council be varied by the exclusion from the field of operation of that Council of workers employed in the hotel and catering services of the nationalised railways.

67. All members of the Commission join in a warm expression of gratitude to Mr. A. C. W. Sole for his admirable services as Secretary of the Commission. His meticulous care and skill have been of the utmost value during our deliberations and in the presentation of our report.

We have the honour to be, Sir,

Your obedient Servants,

GLYN PICTON (*Chairman*).

A. LL. ARMITAGE.

C. BARTLETT.

J. O'HAGAN.

CHRISTIAN J. TUDHOPE.

A. C. W. SOLE (*Secretary*).

26th May, 1964.

## MINORITY REPORT

1. The long history of previous attempts and failure by the National Union of Railway men and the Transport Salaried Staffs' Association to remove workers employed in the railway hotel and catering services from the orbit of the Wages Council, itself suggests that it has fallen to the Commission to make a recommendation on a particularly doubtful and difficult issue. This has proved to be the case and, on the evidence submitted, the conclusions of the undersigned are at variance with those of the majority of the Commission on a number of important points. We are unable to concur with their recommendation.

2. The Commission has assumed that the main test will be the existence of adequate alternative machinery in respect of the workers to be separated from the Wages Council, relying partly on Section 6(4) which enjoins the Commission of Inquiry to consider, *inter alia*, in relation to any alternative machinery "to what extent those matters (matters capable of being dealt with) are covered by the agreements or awards arrived at". We are not satisfied by a reasonable test of adequacy (that is, in the light of the circumstances of the particular case and of the repercussions upon the rest of the industry, which should also be taken into account) that a case for variation has been established.

3. The alternative Machinery of Negotiation and Consultation, set up by British Transport Hotels and Catering Services, the National Union of Railwaymen and the Transport Salaried Staffs' Association, was established in 1953 and revised in 1958, to consider "Rates of Pay, Hours of Duty and other Conditions of Service within the scope of National Agreements". It was agreed and intended by the Employer as supplementary and not alternative to the machinery for the industry, i.e. the Wages Council. It is a complaint of the two Trade Unions that the machinery has been so operated, though they report that, on eight occasions, they have been successful in negotiating a rate of pay above the Wages Council minimum, and it is of advantage to them. It is a case of machinery which could be operated quite independently, but which has not hitherto fully done so, and there is no evidence that it would do so to the satisfaction of all parties. The evidence of the Employer is to the contrary.

4. The annual labour turnover in the industry is very high (in the railway hotels and refreshment rooms, it is not less than 100 per cent.) and the Trade Unions on their own admission have made little progress in organising its workers. The railway hotels and refreshment rooms are the only well-organised section of the industry's workers, thanks to the historical accident of strong railway Trade Unions and the proximity of the hotels and refreshment rooms to the railways. These Unions claim that the hotels and refreshment rooms are "part and parcel of the railways", though there is virtually no exchange between railway and hotel workers. Furthermore, previous enquiries into this subject have recognised that the railway hotels and restaurants are an integral part of the hotel and catering industry; as indeed did the leader of the Workers' Side in his evidence before the Commission.

5. On the national level, the negotiations under the alternative machinery are conducted with railway officials who have never had personal experience within the hotel industry. Representation of the workers is said to be weakest at the local level of the hotels and refreshment rooms. The railway Trade Unions have fewer hotel workers on the Wages Council than other less well-organised Unions. The Employer claims that conditions of work adapted to the domestic nature of hotel

work is necessary to successful operation, while the Railway Unions think in terms of uniformity with railway conditions. In these anomalous circumstances, the Employer regards association with the rest of the industry as an indispensable corrective.

6. The contribution of the Wages Council to the regulation of wages and conditions in the hotel and restaurant industry, which has only been achieved with difficulty over a period of years, has been invaluable. The railway hotels, the largest group of first-class hotels in the country, have assisted in a decisive manner in the establishment and success of the Wages Council and their colleagues on the Employers' Side are unanimous in opposing their separation from it. In view of the difficulty that there has been in settling conditions of work, they view with apprehension the possible negotiation of alternative and less appropriate conditions. They point out that labour costs are heavy in the hotel and restaurant industry.

7. British Transport Hotels Limited share this apprehension. They consider that, as a matter of fair competition and efficiency, the industry should regulate conditions in a uniform and appropriate manner. They believe that it is essential and only possible to know the views current in the industry if they participate in national negotiations, a contention which we know from our own personal experience is well-founded.

8. It is noted that applications for the establishment or abolition of a Wages Council are required under the Wages Councils Act, 1959, to be made jointly by *organisations* of workers and *organisations* of employers. Though not specifically provided for in connection with the variation of the field of operation of a Wages Council, it is both logical and in line with the practical application of Wages Councils that the same criterion should be applied to any proposal to withdraw a group of workers forming an integral part of the labour force of an industry, as distinct from workers in a separate occupation or identifiable geographically.

9. The application is not merely unilateral, but is directed against a single Employer. As far as we are aware, all references to employers in legislation regulating industrial relations are to *organisations* of employers, nationally, in a district or in a section of an industry. We would cite in particular the House of Commons Fair Wages Resolution of the 14th October, 1946, Section 8 of the Terms and Conditions of Employment Act, 1959, and International Labour Office Conventions and Recommendations. In the Wages Councils Act, 1959 itself, the reference is always to "organisations of employers" or to "employers". It has hitherto been contemplated that the alternative machinery would be a body formed of a trade union or trade unions and a group of employers which constituted or would develop into a Joint Industrial Council. It is desirable that such a body would develop in the catering industry, but the majority report recognises that the present machinery of the railway Trade Unions and British Transport Hotels Limited "cannot itself be adapted or expanded into suitable machinery for the whole industry" (Majority Report, para. 62).

10. In principle, it is generally considered undesirable and unfair that legislation should deal with a specific case. We cannot believe that it was ever intended that, as an alternative to or as a variation from a Wages Council, the Minister should compulsorily make an individual employer a "non-federated firm" with the well-known consequential risks to that employer and to the industry.

11. We consider that great weight must also be attached to the fact that the application in the present case is made by the Trade Union side alone against the opposition of the Employer. There is no suggestion on either side of anything but good relations, but different views are taken of ten years' experience of the working and potentiality of the alternative machinery, and we feel that, clearly, exceptionally cautious deliberation is needed in coming to a conclusion.

12. We have recalled a number of general factors in this exceptional case. We now wish to emphasise that we do not subscribe to, or in some instances accept the implications of, the views of the majority as set out in their report. In our opinion, the majority views derive from:

- (i) Too narrow an interpretation of the Act. (See Majority Report, paras. 51, 57, 59, 61, 63 and 65).
- (ii) Insufficient recognition of the fundamental importance of *collective* organisation in industrial relations in this country. (See Majority Report, paras. 50, 54, 57, 59, 60, 62 and 65.)
- (iii) Inadequate appreciation of the problems of regulating wages and conditions of employment with which employers are faced, and therefore failure fully to appreciate the practical consequences of their Recommendation. (See Majority Report, paras. 50, 54, 57, 60, 61 and 64.)
- (iv) Insufficient weight being given to the views and evidence of the employers, both in general and in particular, bearing in mind that it is the employers who carry the responsibility for the efficient operation of their industry or establishments. (See Majority Report, paras. 47, 50, 54, 57, 59, 60, 64 and 65.)

13. A most careful examination of the facts of this case compel us to the view that the current field of operation of the Licensed Residential Establishment and Licensed Restaurant Wages Council should not be varied in present circumstances.

E. M. AMPHLETT.  
S. CHAPMAN.

## APPENDIX I

### LIST OF ORGANISATIONS AND PERSONS WHO HAVE GIVEN ORAL AND/OR WRITTEN EVIDENCE

#### Oral and Written Evidence

Association of London Clubs.

British Hotels and Restaurants Association.

British Transport Hotels Limited (in association with British Railways Board).

Caterers' Association of Great Britain.

National Union of Railwaymen.

Transport Salaried Staffs' Association of Great Britain and Ireland.

Union of Shop, Distributive and Allied Workers.

#### Written Evidence Only

Amalgamated Union of Operative Bakers, Confectioners and Allied Workers of Great Britain and Ireland.

Ministry of Labour.

National Joint Trade Union Committee for the Catering Industry.

National Union of General and Municipal Workers.

Retail Distributors Association Incorporated.

The Brewers' Society.

#### Oral Evidence Only

Mr. Vernon Elwes, O.B.E. (Leader of the Employers' Side of the Licensed Residential Establishment and Licensed Restaurant Wages Council).

Mr. D. T. Jack, C.B.E., M.A. (Chairman of the Wages Council).

Mr. J. Phillips (Leader of the Workers' Side of the Wages Council).

## APPENDIX II

### WORKERS IN RELATION TO WHOM THE LICENSED RESIDENTIAL ESTABLISHMENT AND LICENSED RESTAURANT WAGES COUNCIL AT PRESENT OPERATES

1. Subject to the provisions of paragraph 2, the Schedule applies to all workers employed in Great Britain in a catering undertaking who are employed by the person or body of persons carrying on that undertaking and who are so employed either—

- (1) for the purposes of such of the activities of the undertaking as are carried on at a licensed residential establishment or at a licensed restaurant or at a railway refreshment establishment or at a licensed workers' hostel; or
- (2) in connection with the provision of food or drink or living accommodation provided wholly or mainly for workers employed for the purposes of any of the activities of the undertaking specified in sub-paragraph (1) of this paragraph;

and who are engaged on any of the following work, that is to say:—

- (a) the preparation of food or drink;
- (b) the service of food or drink;
- (c) work incidental to such preparation or service;

- (d) work connected with the provision of living accommodation ;
- (e) work in connection with any retail sale of goods on premises where the main activity is either the supply of food or drink for immediate consumption or the provision of living accommodation for guests or lodgers or partly the supply of food or drink as aforesaid and partly the provision of living accommodation as aforesaid ;
- (f) transport work ;
- (g) work performed at any office or at any store or warehouse or similar place or at any garage or stable or similar place ;
- (h) any work other than that specified in sub-paragraphs (a) to (g) hereof performed on or about the premises or place where food or drink is prepared or served or where living accommodation is provided, including work in connection with any service or amenity provided on or about such premises or place.

2. The Schedule does not apply to any of the following workers in respect of their employment in any of the following circumstances, that is to say:—

- (1) Workers who are employed by the same employer partly in a catering undertaking and partly in some other undertaking, if their employment in the catering undertaking is confined to work specified either in sub-paragraph (f) or sub-paragraph (g) of paragraph 1 hereof or partly to work specified in the said sub-paragraph (f) and partly to work specified in the said sub-paragraph (g), and they are mainly employed on work in or in connection with that other undertaking ;
- (2) workers who are employed for the purposes of the activities carried on at any of the following establishments, that is to say:—
  - (a) any hospital, nursing home or convalescent home or similar establishment providing accommodation for the sick, infirm or mentally defective ;
  - (b) any institution or home where living accommodation is provided for the aged or indigent ;
  - (c) any university, college, school or similar establishment ;
 and who are employed by the person or body of persons carrying on the establishment, or, in the case of any of the establishments specified in sub-paragraph (c) hereof, by the person or body of persons carrying on any boarding house which forms part of the establishment ;
- (3) workers who are employed for the purposes of any of the activities carried on in a railway train ;
- (4) workers who are employed for the purposes of any of the activities carried on at a theatre, music-hall or other similar place of entertainment ordinarily used for the public performance of stage plays or variety entertainments ;
- (5) workers who are employed for the purposes of any of the activities carried on in the course of a catering contracting business ;
- (6) workers who are employed for the purposes of any of the activities of a central catering establishment ;
- (7) workers who are employed for the purposes of the activities carried on at a licensed restaurant if the licensed restaurant is situated on premises where the main activity is the sale of intoxicating liquor for

consumption on the premises otherwise than with meals supplied on the premises ;

(8) workers who are employed by the Crown ;

(9) workers in relation to whom the Industrial and Staff Canteen Undertakings Wages Council operates in respect of any employment which is for the time being within the field of operation of that Wages Council.

### APPENDIX III

#### SUMMARY OF MACHINERY OF NEGOTIATION AND CONSULTATION FOR STAFF OF BRITISH TRANSPORT HOTELS AND CATERING SERVICES

1. The final agreement, reached between British Transport Hotels and Catering Services, the National Union of Railwaymen and the Transport Salaried Staffs' Association on the complete machinery of negotiation and consultation in respect of the staff employed in hotels, refreshment rooms and ancillary establishments, comprises:

- (i) Staff representatives of Departments in each Establishment.
- (ii) Area Staff Councils.
- (iii) Negotiations between the Officer for Personnel, British Transport Hotels and Catering Services Headquarters and Headquarters of the Trade Union or Trade Unions concerned.
- (iv) Staff National Council or personal discussion between the General Manager, British Transport Hotels and Catering Services and the General Secretary of the Trade Union or Trade Unions concerned.
- (v) Reference to independent arbitration through an independent tribunal or body as agreed by the parties to this Agreement.

2. Salaried employees in receipt of salaries in excess of £1,120 per annum, or such other figure as may be agreed between the parties from time to time, and staff covered by the Engineering and Artisan Staff Agreement of 16th December, 1949, are excluded from the scope of this Scheme of Machinery of Negotiation and Consultation.

3. This revised Machinery of Negotiation and Consultation for staff of British Transport Hotels and Catering Services came into operation on 1st August, 1958.

4. The functions of this Machinery at the various levels are as follows :

#### (1) Staff Representatives

To meet the local Management individually on matters concerning the group of staff they represent, or collectively, on matters concerning the staff of all sections of the Establishment to consider and, if possible, to agree, such matters as :

- (i) Arrangement of working hours, meal intervals, etc.
- (ii) Holiday arrangements
- (iii) Local applications relating to the operation of local Agreements or practices.

The Staff Representatives shall also be the local medium for co-operation between the Management and the Staff with a view to improvement of the business, the securing of greater efficiency and economy (including the use of labour-saving appliances) and for the consideration of such matters of mutual interest as accident prevention, first aid, staff accommodation and welfare.

## **(2) Area Staff Councils**

To consider and, if possible, to determine any of the undermentioned subjects:

- (i) The application of National Agreements relating to rates of pay, hours of duty and other conditions of service;
- (ii) Applications for reclassification or regrading of positions;
- (iii) Applications upon which there has been failure to agree by local Staff Representatives which may be referred to an Area Staff Council.

An Area Staff Council shall also be the medium at this stage of the Machinery, for co-operation between the Management and the Staff with a view to improvement of the business, securing greater efficiency and economy (including the use of labour-saving appliances) and for the consideration of such matters of mutual interest as accident prevention, first aid, staff accommodation and welfare. An Area Staff Council may consider any matters within the scope of this paragraph on which there has been consideration between the local Management and Staff Representatives and on which there has been failure to agree or which have been remitted by agreement to the Area Staff Council.

## **(3) Negotiations between the Officer for Personnel, British Transport Hotels and Catering Services Headquarters and Headquarters of the Trade Union or Trade Unions concerned**

To consider any questions dealt with at the lower levels of this Machinery and not thus disposed of and any questions of a general nature or of policy concerning such matters of mutual interest to the Management and the staff as efficiency and economy, accident prevention, first aid, staff amenities, staff accommodation and welfare, staff training and education, not appropriate for consideration at the lower levels of this Machinery.

## **(4) (a) British Transport Hotels and Catering Services' Staff National Council**

- (i) To consider in respect of employees to whom the Machinery of Negotiation and Consultation is applicable, questions (other than minor issues, unless such minor issues involve a question of principle) in regard to rates of pay, hours of duty and other conditions of service within the scope of the National Agreements or subsequently listed by consent of the parties thereto, or any proposal to vary a National Agreement.
- (ii) To consider and advise upon matters of mutual interest to British Transport Hotels and Catering Services and the staff which may be referred to the Council, including the training and education of staff, staff amenities and accommodation, welfare, accident prevention and first aid. Questions should not be referred to the Staff National Council unless there have been negotiations between the Officer for Personnel, British Transport Hotels and Catering Services Headquarters and the Headquarters of the Trade Union or Trade Unions concerned and there has been failure to agree.

The Trade Union or Trade Unions concerned shall have the option of bringing matters eligible for discussion by the Staff National Council, to that body or to

- (b) **Personal Discussion between the General Manager, British Transport Hotels and Catering Services and the General Secretary of the Trade Union or Trade Unions concerned.**

**(5) Reference to Independent Arbitration**

Issues of major importance, whether or not such issues involve questions of "interpretation" of a National Agreement as to rates of pay, hours of duty and other conditions of service, which have been dealt with by the Staff National Council or in personal discussion between the General Manager, British Transport Hotels and Catering Services and the General Secretary of the Trade Union or Trade Unions concerned, and not settled may, if either of the parties to the issue desires to pursue it, be referred for decision to independent arbitration as may be agreed by the parties to this Agreement, any party being free to decide to pursue the matter to such independent arbitration.